

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**OFFICE OF THE ATTORNEY GENERAL**  
[oag.dc.gov](http://oag.dc.gov)



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## **Attorney General Racine Settles Consumer Protection Case against Debt Collection Company**

*Fair Collections & Outsourcing Agrees to Pay Restitution to Harmed Consumers*

**WASHINGTON, D. C.** – Attorney General Karl A. Racine announced today that the Office of the Attorney General’s (OAG) Office of Consumer Protection has resolved its lawsuit against debt collector Fair Collections & Outsourcing (FCO). Under the agreement, FCO is required to pay full restitution to consumers from whom it unlawfully collected court costs and attorney’s fees and is prohibited from further violations of the District’s laws on debt collection and consumer protection.

The Beltsville, Md.-based company collects a variety of different debts, including accounts owed by students, members of the military, and residential and commercial tenants. OAG alleged that FCO violated the District’s Consumer Protection Procedures Act and the District’s Debt Collection Law by collecting court costs and legal fees from consumers without a supporting court order. OAG further alleged that FCO left messages on consumers’ answering machines without verifying that the voicemail did not belong to a third party. FCO also failed to adequately inform consumers who contested the debts on how they could request verification of their purported debts.

**“Debt collectors have enormous power to affect consumers’ lives, and we have laws to ensure that they use that power appropriately,”** said Attorney General Racine. **“FCO abused that power, and we are glad that this settlement will help repay consumers harmed by this company’s actions. The Office of Attorney General is here to protect all of the District’s consumers, ensure they’re informed of their rights, and hold debt collectors like FCO accountable when they break the law.”**

Under the settlement, in addition to restitution to consumers, FCO must pay the District \$45,000 for costs. The payment to the District may be reduced by as much as \$15,000 if FCO pays at least that amount in restitution to consumers. The Consent Judgment and Order also:

- Prevents FCO from collecting or attempting to collect any amount for court costs or fees (including attorney's fees) except where a court judgment or order has awarded such costs and fees;
- Forces FCO to fully comply with the debt verification requirements of the federal Fair Debt Collections Practices Act;
- Requires that FCO clearly and conspicuously disclose to consumers the steps they must take to contest the validity of a debt and request verification;
- Requires FCO to immediately cease collecting contested debts unless FCO can provide verification that the debt is due and owed; and
- Prohibits FCO from disclosing the debts of any consumer to any third person by leaving recorded messages on any voicemail, answering machine or any other answering service if doing so would violate the Fair Debt Collection Practices Act.

A copy of the Consent Judgment and Order is attached. Consumers who have been victimized by debt collectors may contact the OAG Office of Consumer Protection by calling (202) 442-9892, by e-mailing [consumer.protection@dc.gov](mailto:consumer.protection@dc.gov), or by [filing a complaint via our web form](#).

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